

SEPROD LIMITED AND ITS SUBSIDIARIES
UNAUDITED GROUP FINANCIAL STATEMENTS

Group Statement of Cash Flows

(Nine months ending 30th September)

2007
\$'000

2006
\$'000

CASH RESOURCES WERE PROVIDED BY/(USED IN):

Operating Activities

Net profit	670,107	766,567
Items not affecting cash resources:		
Intangible assets	(50,841)	-
Depreciation	102,408	77,959
Negative goodwill on acquisition of subsidiaries	(173,820)	(974)
Share of results of associated companies	(204,398)	(422,213)
Taxation	184,134	147,847
	527,590	569,186
Changes in operating assets and liabilities:		
Inventories	(342,310)	(72,930)
Accounts receivable	180,290	(1,945)
Biological assets	(919)	(14,819)
Retirement benefits	-	58,730
Accounts payable	13,725	(92,004)
	378,376	446,218
Taxation paid	(152,145)	(111,641)
Cash provided by operating activities	226,231	334,577

Investing Activities

Purchase of fixed assets	(484,224)	(295,274)
Proceeds on disposal of fixed assets	(645)	492
Proceeds on available-for-sale Investments, net	212,483	(107,283)
Proceeds from other investments, net	350,245	532,865
Advance to an associate	-	(475,000)
Payment by an associate	351,951	75,000
Cash paid on acquisition of subsidiary	(196,227)	(131,889)
Cash used in investing activities	233,583	(401,089)

Financing Activities

Short term loan received	-	430,000
Short term loan repaid	-	(280,000)
Long term loan	101,678	76,000
Long term loan repaid	(221,727)	(66,510)
Dividends paid	(180,739)	(154,920)
Cash provided by /(used in) financing activities	(300,788)	4,570
Increase in cash and cash equivalents	159,026	(61,942)
Cash and cash equivalents at beginning of year	(10,445)	135,112
CASH AND CASH EQUIVALENT AT END OF PERIOD	148,581	73,170

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FOR NINE MONTHS ENDED SEPTEMBER 30, 2007

GROUP BALANCE SHEET

	Unaudited	Audited
	30/09/07	31/12/06
	<u>\$'000</u>	<u>\$'000</u>
NET ASSETS EMPLOYED		
Fixed Assets	1,873,685	1,491,224
Intangible Assets	90,441	39,600
Investments	2,227,531	2,176,840
Retirement Benefit Asset	33,100	33,100
Biological Asset	91,485	90,566
Deferred Tax	2,166	53,915
Current Assets	2,108,770	1,972,887
Current Liabilities	(770,627)	(781,596)
Net Current Assets	1,338,143	1,191,291
	5,656,551	5,076,536
FINANCED BY:		
Share Capital	516,398	516,398
Share Premium	44,889	44,889
Capital Reserves	852,654	854,409
Accumulated Surplus	3,497,398	3,008,030
	4,911,339	4,423,726
Long Term Liabilities	469,092	399,145
Deferred Tax	226,320	203,865
Retirement Benefit Obligations	49,800	49,800
	745,212	652,810
	5,656,551	5,076,536

Approved on behalf of the Board:

A. D. Blades
(Chairman)

Dr R. A. Jones
(Vice Chairman)

B. E. Thompson
(Chief Executive Officer)

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FOR NINE MONTHS ENDED SEPTEMBER 30, 2007

GROUP PROFIT AND LOSS ACCOUNT

	<Three months ending Sept 30th>		<Nine months ending Sept 30th>	
	2007	2006	2007	2006
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Revenue	1,434,637	1,228,520	4,236,094	3,659,279
Direct expenses	<u>(1,091,809)</u>	<u>(916,602)</u>	<u>(3,194,775)</u>	<u>(2,709,100)</u>
Gross Profit	342,828	311,918	1,041,319	950,179
Finance and other operating income	44,132	60,436	148,580	156,313
Selling expenses	(44,775)	(45,041)	(142,366)	(127,779)
Administration expenses	<u>(180,501)</u>	<u>(152,832)</u>	<u>(540,760)</u>	<u>(451,744)</u>
Operating Profit	161,684	174,481	506,773	526,969
Finance costs	(9,389)	(18,945)	(30,750)	(35,742)
Negative goodwill on acquisition of subsidiaries	173,820	974	173,820	974
Share of results of associates	<u>94,863</u>	<u>15,537</u>	<u>204,398</u>	<u>422,213</u>
Profit before taxation	420,978	172,047	854,241	914,414
Taxation	(57,798)	(43,423)	(184,134)	(147,847)
Net Profit attributable to Stockholders	<u><u>363,180</u></u>	<u><u>128,624</u></u>	<u><u>670,107</u></u>	<u><u>766,567</u></u>
Number of Shares in issue ('000)	516,398	516,398	516,398	516,398
Earnings per share	\$ 0.70	\$ 0.25	\$ 1.30	\$ 1.48

Note (1) On September 1, 2007 the Group acquired the entire assets of Kraft Jamaica Limited to form International Biscuits Limited for a consideration of US\$4.167 Million.

(2) Negative Goodwill on acquisition was attributable to the recognition of the acquired fixed assets at their fair market value, and was arrived at as follows:

	\$'000
Fair value of fixed assets acquired	462,324
Purchase consideration	288,504
Negative goodwill on acquisition	<u><u>173,820</u></u>

(3) The share of results for 2006, of an associated company includes a one off gain on sale of quoted shares amounting to \$252.5 Million.

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INFORMATION ABOUT BUSINESS SEGMENTS

	(\$000)							
	Manufacturing		Distribution		Eliminations		Consolidated	
	30/09/2007	30/09/2006	30/09/2007	30/09/2006	30/09/2007	30/09/2006	30/09/2007	30/09/2006
REVENUE								
External sales	2,145,144	1,799,100	2,090,950	1,860,179	-	-	4,236,094	3,659,279
Inter-segment sales	<u>1,367,272</u>	<u>1,114,772</u>	<u>-</u>	<u>731</u>	<u>(1,367,272)</u>	<u>(1,115,503)</u>		
Total revenue	<u><u>3,512,416</u></u>	<u><u>2,913,872</u></u>	<u><u>2,090,950</u></u>	<u><u>1,860,910</u></u>	<u><u>(1,367,272)</u></u>	<u><u>(1,115,503)</u></u>	<u><u>4,236,094</u></u>	<u><u>3,659,279</u></u>
RESULTS								
Segment result	<u>470,155</u>	<u>413,703</u>	<u>140,566</u>	<u>165,099</u>			610,721	578,802
Unallocated corporate (expenses)/income							<u>(103,948)</u>	<u>(51,833)</u>
Operating profit							506,773	526,969
Finance costs							(30,750)	(35,742)
Negative goodwill on acquisition of subsidiaries							173,820	974
Share of net profits of associates							204,398	422,213
Income taxes							<u>(184,134)</u>	<u>(147,847)</u>
Net Profit							<u><u>670,107</u></u>	<u><u>766,567</u></u>
OTHER INFORMATION								
Segment assets	3,079,694	2,184,282	386,043	390,059	-	-	3,465,737	2,574,341
Investment in associates							1,779,183	1,924,271
Unallocated corporate assets							<u>1,182,258</u>	<u>1,533,849</u>
Total consolidated assets							<u><u>6,427,178</u></u>	<u><u>6,032,461</u></u>
Segment liabilities	(249,194)	(234,484)	(47,912)	(85,564)	-	-	(297,106)	(320,048)
Unallocated corporate liabilities							<u>(1,218,733)</u>	<u>(991,852)</u>
Total consolidated liabilities							<u><u>(1,515,839)</u></u>	<u><u>(1,311,900)</u></u>
Capital expenditure	572,341	302,399	3,894	1,188			576,235	303,587
Unallocated capital expenditure							8,943	6,015
Total capital expenditure							<u>585,178</u>	<u>309,602</u>
Depreciation	85,957	64,908	1,612	1,140			87,569	66,048
Unallocated depreciation							<u>14,839</u>	<u>11,911</u>
Total depreciation							<u><u>102,408</u></u>	<u><u>77,959</u></u>

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FOR NINE MONTHS ENDED SEPTEMBER 30, 2007

Group Statement of Changes in Equity

	Number of Shares '000	Share Capital \$'000	Share Premium \$'000	Capital Reserve \$'000	Accumulated Surplus \$'000	Total \$'000
Balance as at 1 January 2006	516,398	516,398	44,889	836,631	2,715,685	4,113,603
Net profit	-	-	-	-	766,567	766,567
Fair value loss on available-for-sale securities	-	-	-	(4,689)	-	(4,689)
Dividends paid	-	-	-	-	(154,920)	(154,920)
Balance at 30 September 2006	<u>516,398</u>	<u>516,398</u>	<u>44,889</u>	<u>831,942</u>	<u>3,327,332</u>	<u>4,720,561</u>

	Number of Shares '000	Share Capital \$'000	Share Premium \$'000	Capital Reserve \$'000	Accumulated Surplus \$'000	Total \$'000
Balance as at 1 January 2007	516,398	516,398	44,889	854,409	3,008,030	4,423,726
Net profit	-	-	-	-	670,107	670,107
Fair value loss on available-for-sale securities	-	-	-	(1,755)	-	(1,755)
Dividends paid	-	-	-	-	(180,739)	(180,739)
Balance at 30 September 2007	<u>516,398</u>	<u>516,398</u>	<u>44,889</u>	<u>852,654</u>	<u>3,497,398</u>	<u>4,911,339</u>